

10 June 1960

MEMORANDUM FOR: Director of Central Intelligence

VIA: DDP/COP
DD/P

SUBJECT: Inspector General Report on NE Division

1. The NE Division has submitted to the DD/P its draft comments on the recent IG report covering our activities, as provided in the Regulations governing the handling of such reports. For the reasons set forth below, however, I have felt compelled to make a personal statement of my own reaction to the IG report. There are 30 recommendations in the report, and a number of other comments which invite a response, although they did not take the form of specific recommendations. The NE Division response to these recommendations and comments is contained in our report to the DD/P, and nothing said in this memorandum is intended to substitute for the Division response, which stands on its own feet.

2. The remarks I am about to make do not reflect any disagreement with the concept or the specifically defined responsibilities of the Inspector General with respect to investigations of Area Divisions in the DD/P. I believe in this concept, and have tried to cooperate in every way possible to help the Inspector General in the discharge of his responsibilities in this survey. Several of the recommendations in the report are germane and we believe, and have so recommended, that they should be carried out. Where we disagree with recommendations, we have given detailed reasons for our disagreement. My personal reaction to the IG report, however, is based not as much on what is said as on the manner in which it is said, and on the conclusions which seem to be clearly implied in both the covering memorandum of the Inspector General and in the report itself.

3. It is difficult for anyone to read these documents and escape the conclusion that the NE Division, since the date of the last IG report of July 1957, has failed in the discharge of its responsibilities to the DD/P and to the Director. This failure, if substantiated,

- 2 -

is squarely attributable to my performance as Division Chief. It is exceedingly difficult to find words of commendation for any of the Division's basic activities in the 375 pages of the IQ report. The covering memorandum from the Inspector General to the Director, after a first paragraph listing statistics such as the number of personnel and the size of the operating budget, starts out with a summary of the "greatest deficiencies" of the Division. In the next sentence he states that no one in the Division can be considered an expert on the whole area, and only a handful are expert on any one country. This statement is untrue, in both particulars, although we obviously lack the area expertise in depth which we would like to have, and I hope in the future will have. This deficiency, I might add, is not unique to this Agency. These remarks set the tone for the entire report. Neither I nor the other officers of this Division want or expect to receive kudos in an IQ report, which is properly devoted to identifying areas where improvements can be made and recommending corrective action. We have all been struck, however, by the impression clearly conveyed by this report that the NE Division, during the past three years, has been mis-managed administratively, and has failed in the discharge of its operational responsibilities.

4. I do not believe either to be the case, and I would like to address myself first to the general subject of management and organization. Section II of the report deals with Division management. Before getting to its recommendations for a basic re-organization of the Division, the report makes certain observations on the conduct of the Office of the Division Chief. The main burden of these comments is that the organization of my immediate office is based on the premise that it is necessary to have "points of decision" around the Division Chief, and that this somehow results in an insulation of the Division Chief from Branch Chiefs which in turn denies the proper delegation of authority to the latter, and deprives the latter of policy guidance from the Division Chief. We have dealt with these observations in some detail in our comments to the DD/P, but I would like to quote, for purposes of this memorandum, a few passages from this Section:

a. "The most apparent characteristic of division management is the rigidity of its system notwithstanding the few persons involved. A second

TOP SECRET

1759
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- 3 -

characteristic, stemming from the first, is the isolation of the division chief from the working level. One of the division's most senior officers commented that he could see any division chief in the Agency more easily than his own, and we interviewed several headquarters officers at the GS-12 or -13 level who had never even met the division chief or his deputy. Senior personnel who cannot reach the division chief must obtain tentative policy guidance from officers who are not of division chief stature." (Section II, Page 12)

b. "The isolation of the division chief is intensified in the minds of working-level subordinates by the fact that he had no DD/P experience when he was assigned to his present position in 1957, and therefore brought along no ready-made background of professional and personal associations. Doubtless some of his isolation is traceable to the claims made on his time by activities outside the division, but the substance of the problem lies in the structure and habits of the division itself." (Section II, Page 13)

c. "Under the present system in NE Division the Branch chiefs cannot normally go directly to the CNE, but must follow designated channels and sometimes make side excursions." (Section II, Page 13)

The picture given above is one of a rigid front office structure, presided over by an inaccessible Division Chief who rarely sees his Branch Chiefs, and who has delegated decision-making authority to subordinates between himself and the Branch Chiefs. I take the strongest possible issue with these statements. It is true that one of my first acts as Division Chief was to replace a flabby front office organization by a group of senior, experienced personnel to whom I could safely delegate decision-making authority. I will defend the necessity for "points of decision" in an organization which has to deal with the number and complexity of problems with which this Division is faced on a day-to-day basis. I have reserved to myself, however, the responsibility for passing on all major policy decisions, and I believe I have exercised

TOP SECRET

1754
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- 4 -

that responsibility. As for my inaccessibility to Branch Chiefs, the fact of the matter is that I am accessible at all times to Branch Chiefs, and I believe that an objective study of this matter would have disclosed the fact that I have consulted them more frequently, and vice versa, than my predecessors in recent history. I do not understand the statement that some of my alleged isolation is traceable to the claims made on my time "by activities outside of the Division". Although I do have to spend quite a bit of time in meetings outside of the building, I try to keep these occasions to a minimum, and in no case have I engaged in such meetings on matters which were not of immediate interest to the NE Division and to the Agency. Reference is made to the fact that I had "no DD/P experience" when I was assigned to this Division. This is true, and was pointed out by me repeatedly before I accepted this assignment. As it turns out, I have never been given to believe by those in authority over me that this has proven to be a disadvantage. The Inspectors evidently think that it has been.

5. One of the complications resulting from my alleged inaccessibility is the need for reliance on tentative policy guidance from "officers who are not of division chief stature". This evidently refers principally to my Deputy, [REDACTED] my Chief of Operations, [REDACTED] and my Special Assistant, [REDACTED]. Whether or not these men are of division chief stature, which is a curious commentary in an IG report, they were appointed to their positions, by or with the concurrence of the DD/P, on the basis of superior experience and area knowledge, and demonstrated ability. As far as I am concerned, they would not be fulfilling their responsibilities unless they were furnishing policy guidance, tentative and otherwise, to their subordinates.

6. The Inspector General recommends a basic re-organization of the NE Division, to correct existing deficiencies. This re-organization would involve an amalgamation of what are now six area branches into three area

[REDACTED]

- 2 -

the Inspector General in its 1957 report. Actually, when I took over this Division in November of 1957, there had been a recent re-organization of the Division (which at that time included all of Africa) resulting in the creation of 8 area branches. Had I been consulted in advance, I would have deferred the decision which created this number of branches, and my prejudice at the time was that there were too many branches to permit effective management. Experience has convinced me, however, that this decision was basically sound. The Division was of course much too large and diverse when it included the entire Continent of Africa. I participated in the recommendation to the Director for the establishment of an African Division. Even without Africa, however, this Division is still forced to deal with a complexity of area problems at least as great as that of any other operating division.

7. I believe that the present branch arrangement is an effective one, and if I were inclined to recommend any change at this point, it would be for the addition of one more branch, designed to permit greater attention to the problems of the [REDACTED]. I could engage in a lengthy paper analysis of the reasons why I believe the present arrangement is more effective than the arrangement proposed by the Inspector General. As a practical matter, however, it gets down to this. I have found that the most effective action and response to requirements comes from those branches which are responsible for a single major country. In these cases, the Branch Chief knows all the essential information with respect to his country, and is thus in a much better position to advise me quickly and accurately on questions of fact, and to devote the proper amount of time and attention to forward planning and thinking. This point was proven very clearly during a period where for several months we set up a temporary branch to deal only with the [REDACTED] and placed the responsibility for all other Arab States under another single Branch Chief. The Branch Chief concerned was the first to admit that this placed an excessive burden on him and on his branch facilities and personnel. The IG report would place all of the [REDACTED] when the temporary branch is dissolved, under a single Branch Chief. In order to effectively implement the IG organizational recommendations, each of the three branches would in effect have to become a little Division of its

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- 6 -

own, and would have to develop a staff structure in both the substantive and support aspects. Perhaps this should be done. I made a somewhat similar recommendation to the DD/P a year and a half ago, but it would have involved the up-grading of positions for the Branch Chiefs, and the identification and assignment of very highly qualified and experienced personnel to take over the positions. Action on this proposal was deferred because of difficulties involved in fulfilling the above requirements. As of this moment, I would not renew the proposal, for the reasons indicated above.

8. In his transmittal memorandum to the Director, the Inspector General states that another weakness of long standing in the NE Division is the absence of unilateral intelligence operations. Examples are given of

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25X1X4 [REDACTED]

9. Separate memoranda have been forwarded to the Director on the special problem identified by the IG in the [REDACTED] and steps are being taken to implement the action which has been agreed with respect thereto. The Inspector General, however, makes a specific recommendation that Agency employee strength in [REDACTED] should

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TOP SECRET

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- 7 -

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be reduced by approximately 50% over the next two years, and that the [REDACTED] should be abolished. Although we should be on the alert for opportunities to decrease the size of our official establishment in [REDACTED] I believe that the IG proposal is extreme in both aspects. This matter is dealt with in our response to the report.

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11. I sincerely regret that I have felt it necessary to write this memorandum. I would be the first to concede that there is considerable room for improvement in the conduct of NE Division affairs. On the other hand, I feel that this IG report, by its general tone and by its failure to give the minimum of credit where credit is due, does an injustice to the Division as a unit and to a great many people who have been working hard, and in my opinion effectively, over the past three years. I trust that the overall judgement as to the effectiveness of this Division will take into account the accomplishments, as well as the alleged deficiencies, of this organization.

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Chief
Near East and
South Asia Division

cc: DDCI

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CNE: [REDACTED]:hj
10 June 1960

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